Memorandum presented by
Puratchi Thalaivi Selvi **J Jayalalithaa**
Hon'ble Chief Minister of Tamil Nadu
to
Shri **Narendra Modi**
Hon'ble Prime Minister of India
on 14.06.2016

Memorandum Presented by

Puratchi Thalaivi Selvi **J Jayalalithaa**

Hon’ble Chief Minister of Tamil Nadu

to

Shri **Narendra Modi**

Hon’ble Prime Minister of India

on 14.06.2016

Published by :

Director,

Information & Public Relations Department,

Chennai.

Special Publication No. 2

Tamilarasu

June 2016

Published by :
Director,
Information & Public Relations Department,
Chennai.

Printed at :
Tamil Arasu Press
5, Rajiv Gandhi Salai
Kaanagam, Taramani,
Chennai - 600 113.

Memorandum Presented by
Puratchi Thalaivi Selvi **J Jayalalithaa**
Hon'ble Chief Minister of Tamil Nadu
to Shri **Narendra Modi**
Hon'ble Prime Minister of India
on 14.06.2016

1. Water Resources Issues:

(a) Formation of Cauvery Management Board and the Cauvery Water Regulation Committee for the Implementation of the Final Order of the Cauvery Water Disputes Tribunal:

The Final Order of the Cauvery Water Disputes Tribunal dated 05.02.2007, has been notified by the Government of India on 19.02.2013. Tamil Nadu has been urging the Government of India for the early formation of the Cauvery Management Board and the Cauvery Water Regulation Committee for effective implementation of the Final Order of the Tribunal.

I once again urge that the Cauvery Management Board and the Cauvery Water Regulation Committee be constituted immediately.

(b) Mekedatu Scheme of Karnataka:

Government of Karnataka had called for an Expression of Interest for construction of two reservoirs at Mekedatu in

violation of the Final Order of the Cauvery Water Disputes Tribunal.

I request Government of India to advise Government of Karnataka not to proceed with the project as this would violate the Final Order of the Cauvery Water Disputes Tribunal.

(c) Mullai Periyar Dam – Restoration of Water Level to FRL 152 ft.:

The Supreme Court in its Order dated 27.02.2006, while permitting the Government of Tamil Nadu to raise the water level initially to 142 ft. has also permitted Tamil Nadu to carry out the remaining strengthening works like, strengthening the Baby Dam and Earth Dam, raising the upstream parapet wall of the Main Dam by 2 ft. etc. After completion of the remaining strengthening works to the satisfaction of the Central Water Commission, independent experts are to examine the safety angle before the water level is permitted to be raised to the FRL of 152 feet. This has been affirmed in the Judgment and Decree of the Supreme Court dated 07.05.2014.

Following these orders, my Government has sanctioned a sum of Rs.7.85 crore for strengthening the Baby Dam and other related works so that water level can be restored to the FRL of 152 feet. In this regard, Government of Tamil Nadu has applied to the Government of India, Ministry of Environment,

Forest & Climate Change, for cutting 23 trees downstream of the Baby Dam, and requested Wild Life, Environment and Forest clearances on 29.05.2015. The Government of India had suggested that Forest clearance may be applied after getting Wild Life and Environment clearances which are still awaited. I request you to instruct the concerned authorities to expedite the necessary clearances.

(d) Inter-linking of Rivers:

(i) Inter-linking of Peninsular Rivers:

Under the Peninsular Rivers Development Component, the Government of Tamil Nadu has been urging the Government of India to implement the interlinking of the Mahanadhi-Godavari-Krishna-Pennar-Palar-Cauvery-Vaigai Rivers and further with the Gundar River and also the diversion of surplus waters of the west flowing Pamba and Achankovil Rivers to Vaippar in Tamil Nadu. Based on the Supreme Court Order dated 27.02.2012 and my persistent requests, the Government of India constituted the Special Committee for Interlinking of Rivers. Though the Special Committee has held 9 meetings so far, not much headway has been made in the matter of inter-linking of rivers.

Further, I have been urging the Government of India to nationalise all inter-State Rivers, so that water resources of the Country can be optimally utilized.

(ii) Funding for Athikadavu – Avinashi Scheme:

In 2011, my Government had announced the implementation of the Athikadavu–Avinashi Scheme at a cost of Rs.1,892 crore. A Detailed Project Report was sent to the Government of India for funding under the Flood Management Programme. However, the UPA Government did not approve the Scheme. My Government, in February, 2016, has announced that the Athikadavu-Avinashi Scheme will be implemented expeditiously. The cost estimates for the Scheme are being revised and will be submitted to Government of India for funding at the earliest.

I request that the scheme may be considered for funding by Government of India as a special case expeditiously.

2. Fisheries Sector:

(a) Protection of the Traditional Fishing Rights of Indian Fishermen in the Palk Bay and Ensuring their Safety and Security:

Since May, 2014, there have been 73 incidents in which 1,017 Indian fishermen from Tamil Nadu were apprehended

and 178 fishing boats were seized by the Sri Lankan Navy. The persistence of such repeated incidents of harassment causes great unrest amongst the Fishermen Community of Tamil Nadu. I have written to you repeatedly urging that such attacks on innocent Indian fishermen have to be treated with utmost seriousness and cannot be ignored or tolerated.

When our fishermen, in an accommodative frame of mind came forward to hold talks between the fishermen of both the countries, three rounds of talks were facilitated by the Government of Tamil Nadu on 27.01.2014 in Chennai, on 12.05.2014 in Colombo and on 24.03.2015 in Chennai again. In the meantime, the incidents have continued unabated.

As on date, there are 21 fishermen and 92 boats along with fishing gear in Sri Lankan custody. I request the Government of India to take strenuous efforts through diplomatic channels to secure the release of the fishermen and boats at the earliest. Further, the Government of India must take **all efforts to protect the traditional fishing rights of the Indian fishermen from Tamil Nadu in the Palk Bay area and ensure their safety and security by restraining the Sri Lankan Navy from harassing them.**

(b) Retrieval of Katchatheevu and Restoration of Traditional Fishing Rights of Tamil Nadu Fishermen:

Ever since Katchatheevu Island, historically a part of India, was ceded to Sri Lanka as per the Indo-Sri Lankan Agreements of 1974 and 1976, **the fishermen of Tamil Nadu have been deprived of the traditional fishing rights they enjoyed around the island.**

The Tamil Nadu Legislative Assembly passed a Resolution in 1991, seeking the restoration of Katchatheevu Island and the surrounding seas to India. A proposal was also sent to the Government of India in 2003 to examine the feasibility of getting the island of Katchatheevu and adjacent seas on a 'lease in perpetuity'.

In 2008, I had in my personal capacity filed a Writ Petition (W.P.(Civil) No.561/2008) in the Supreme Court of India on this issue. The Government of Tamil Nadu impleaded itself in the case in 2011. The Supreme Court of India held in the Berubari case in 1960, that any territory owned by India can be ceded to another country only through a Constitutional Amendment. However, Katchatheevu was ceded to Sri Lanka without a Constitutional Amendment and hence the ceding is unlawful and not valid. The unconstitutional ceding of the island and the fishing grounds in the vicinity have emboldened the Sri Lankan Navy to resort to frequent attacks on our innocent fishermen who fish in their traditional fishing waters.

I reiterate my strong request that **the Government of India should take steps to abrogate the 1974 and 1976 agreements and retrieve Katchatheevu and restore the traditional fishing rights of Indian fishermen from Tamil Nadu.**

(c) Reconstruction of St. Anthony's Church at Katchatheevu after obtaining consent of Tamil Nadu Fishermen:

St. Anthony's Church on Katchatheevu Island holds considerable religious significance for the fisher folk in the coastal Districts of Tamil Nadu. For several centuries they have traditionally undertaken pilgrimage to the island for the annual feast of St. Anthony. During the last feast of St. Anthony's, in February, 2016, when the local priests proposed the demolition and reconstruction of the Church, the fishermen from Tamil Nadu indicated that as the Church represented the joint heritage of the fishermen communities of both India and Sri Lanka, the reconstruction should be taken up jointly. It is learnt that the Sri Lankan Government has taken a unilateral decision to construct a new church for St. Anthony, without consulting fishermen from Tamil Nadu. Further there are reports that the presence of the Sri Lankan Navy on the Island of Katchatheevu has been substantially stepped up.

The apprehension of the Tamil Nadu fishermen is that the Sri Lankan Government is moving towards further curtailing and restricting the access that they have traditionally and historically enjoyed to the Katchatheevu Island.This enhanced presence of the Sri Lankan Navy on Katchatheevu Island, visuals of which have been beamed on television channels, has greatly agitated and exercised not just the fishermen community in the southern Districts of the State, but all sections of opinion in Tamil Nadu.

The enhanced presence of Sri Lankan Navy personnel on the Island has to be seen as a carefully calculated and deliberate measure to provoke the Indian side and further complicate the already vexed issue, making an amicable solution even more difficult. The Government of India must swiftly and firmly respond to this latest provocation. There has to be a clear and unequivocal condemnation of the Sri Lankan move by the Ministry of External Affairs, accompanied by strong diplomatic measures to prevail upon the Sri Lankan Government to back down on the issue. The Government of India must ensure that pending the final legal decision on the issue of ceding of Katchatheevu to Sri Lanka, the Sri Lankan side does not in any way impede the free access of Tamil Nadu fishermen to Katchatheevu Island. The Government of Tamil Nadu should also protect the rights of the

Tamil Nadu fishermen in St. Anthony's Church in Katchatheevu and prevail upon the Sri Lankan Government to immediately stop its unilateral decision to support the construction of a new church for St. Anthony's in Katchatheevu, adjacent to the old church. The Sri Lankan side should also be prevailed upon to accept the construction of the new church jointly by India and Sri Lanka after obtaining the concurrence of the Tamil Nadu fishermen.

(d) Comprehensive Special Package for Diversification of Fisheries:

I had, in my Memoranda dated 03.06.2014 and 07.08.2015, sought a **Comprehensive Special Package for Diversification of Fisheries at a cost of Rs.1,520 crore, with a recurring component of Rs.10 crore for maintenance dredging.** No decision has been taken as yet on this request, although the Government of Tamil Nadu has gone ahead with the implementation of some components of the package in view of the urgency. The package comprises the following components:

(i) Diversification of Bottom Trawlers into Deep Sea Tuna Long Liners:

This would reduce the pressure of bottom-trawling boats in the Palk Bay and will cost Rs.975 crore over three years.

This issue was discussed in a meeting convened by the Principal Secretary to Prime Minister on 23.04.2015 with the Chief Secretary of Tamil Nadu and the Secretary, Animal Husbandry, Dairying and Fisheries.Based on the discussions, the Government of Tamil Nadu has sent a detailed proposal to Government of India for reduction of trawling pressure in the Palk Bay on 12.05.2015. Queries raised by the Ministry of Agriculture, Government of India have also been clarified by my Government. As the main proposal is yet to be approved, my Government has initiated a scheme at a cost of Rs.51.3 crore for the construction of new Tuna Long Liners and the construction of 171 Tuna Long Liners has commenced. As many more trawlers have to be replaced, I request early sanction of the scheme for diversification of bottom trawlers to Tuna Long liners which has been pending with Government of India for nearly a year.

(ii) Assistance for Mid Sea Fish Processing Park:

Under this project, costing Rs.80 crore, a 'Carrier Mother Vessel' will be stationed mid-sea to support and supply 'Baby Vessels' involved in commercial fishing in the deep seas. This will add value to the fish caught in the deep seas and also reduce the pressure of fishing in the shallow waters of the Palk Bay.

(iii) Reimbursement of Central Excise Duty on High Speed Diesel (HSD) for Mechanized Boats:

The eligibility requirement for boat owners to be in the BPL category, and the monthly ceiling of only 500 litres per boat are both unworkable. Such conditions should immediately be reviewed in order to make this scheme beneficial to fishermen.

(iv) Motorization of Traditional Craft:

The present level of assistance of Rs.3 crore per year for motorization of nearly 1,000 traditional crafts is very meagre since there are over 32,000 non-motorized traditional crafts in Tamil Nadu. Sanction of at least Rs.9 crore per year would ensure that all traditional craft can be motorized within five years.

(v) Construction of Fishing Harbour at Mookaiyur:

The Government of India had approved the proposal of the Government of Tamil Nadu for the construction of a Fishing Harbour at Mookaiyur in Ramanathapuram District at a cost of Rs.113.90 crore with 50% Central financial assistance in the Project Sanctioning Committee held at New Delhi on 26.02.2016. **The Administrative Sanction and the release of the first installment of Central Assistance is awaited**.

(vi) Dredging of Fishing Harbours and Bar Mouths:

A recurring provision of Rs.10 crore may be sanctioned every year for dredging of harbours and bar mouths.

The Comprehensive Special Package for Diversification of Fisheries of Rs.1,520 crore with a Rs.10 crore recurring component may be approved at the earliest.

(e) Non-release of Funds by Government of India under Centrally Sponsored Schemes for Construction of Fishing Harbours in Tamil Nadu:

Under Centrally Sponsored Schemes, the Government of India has sanctioned construction of 4 Fishing Harbours at Poompuhar in Nagapattinam District and at Colachel, Thengapattinam and Chinnamuttam in Kanniyakumari District, at a total cost of Rs.406.67 crore, with a Central share of Rs.241.34 crore and State share of Rs.165.33 crore. The Government of Tamil Nadu has released its entire share to facilitate the early completion of the projects. The Government of India has so far released only Rs.107.66 crore and is yet to release the balance of Rs. 133.68 crore. The Fishing Harbour at Chinnamuttom was completed a year ago, while the remaining 3 fishing harbours are very close to completion. The non-release of funds is stalling the final completion of these works. Necessary procedural formalities including submission

of utilization certificates have been completed. I request you to instruct the Ministry of Agriculture and Farmers' Welfare to release the balance funds immediately so as to speedily complete the projects.

(f) Rescinding the Deep Sea Fishing Guidelines, 2014:

The Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture and Farmers' Welfare, Government of India, issued new Deep Sea Fishing Guidelines on 12th November, 2014, which mandate boats that are above 15 metres Overall Length (OAL) engaged in near shore fishing just beyond the territorial waters of India, to obtain a Letter Of Permission (LOP) from the Government of India and voyage clearances from the Indian Coast Guard for each fishing voyage. The new guidelines not only restrict the open access of our fishermen in the Exclusive Economic Zone (EEZ), but also set a dangerous precedent of allowing foreign vessels of more than 15 metres Overall Length to compete with our fishermen for resources which need to be conserved for utilisation by our Nation and its citizens.

These Guidelines are extremely impractical and will adversely affect the livelihood of our native fishermen. Out of the 5,500 mechanised fishing boats in Tamil Nadu, more than 80% of the boats are above 15 metres OAL. These boats

which are engaged in fishing beyond territorial waters, will be adversely affected by the above guidelines.

Hence, Government of Tamil Nadu has requested Government of India that these guidelines may be rescinded. The Government of Tamil Nadu's stand is that:

- ✶ Fishing vessels of length below 24 metres Overall Length should be defined as coastal fishing vessels and fishing vessels of length 24 metres OAL and above as Deep Sea Fishing Vessels (DSFV).
- ✶ The coastal fishing vessels of length below 24 metres OAL owned by Indian fishermen should be given open access in the Indian EEZ as provided for under Section 7(5) of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act 1976.
- ✶ The Government of India should delegate powers to regulate fishing by vessels of 24 metres OAL and above to the Maritime States.
- ✶ No permission should be accorded to foreign fishing vessels or engagement of foreign crew under the LOP mechanism or through any other mechanism to fish in India's EEZ.
- ✶ No joint venture or any other form of agreement with a foreign individual or company should be permitted for undertaking deep sea fishing in India's EEZ.

✶ The fishery resources in our EEZ should be protected and preserved for our artisanal fishing community which is now gearing up to exploit the untapped resources.

✶ The Government of India should develop specialized infrastructure for landing of Deep Sea Fishing Vessels, safe berthing, reception and handling of high value deep sea catch (like cold chain from harvest till consumption) to deliver premium quality fish to fetch premium value in the domestic and international markets.We request that an early decision be taken in this matter.

(g) Inclusion of Fishermen in the List of Scheduled Tribes

Fishermen in Tamil Nadu reside in precarious terrain by the sea coast, have distinct customs and lifestyle, and eke out a meagre livelihood from their traditional occupation. Most of them are very poor. The Government of Tamil Nadu seeks the inclusion of the fishermen community of Tamil Nadu in the list of Scheduled Tribes.

3. Power Sector:

(a) Early Commissioning of Unit II of Kudankulam Nuclear Power Plant (KNPP):

Unit-II of Kudankulam Nuclear Power Plant has not yet been commissioned. Tamil Nadu will be able to utilize 562

MW from the above plant, if it is commissioned early. I request you to issue necessary instructions to the Nuclear Power Corporation of India Ltd., to expedite the commissioning of Unit II of the Kudankulam Nuclear Power Plant.

(b) Cheyyur Ultra Mega Power Project:

Land acquisition has already been completed and environment clearance has also been obtained for the establishment of the 4,000 MW Ultra Mega Power Project at Cheyyur. However, the Ministry of Power has not yet finalized the revised bidding documents. Hence, it is requested that the Ministry of Power may be suitably advised to expedite the bidding process at the earliest.

(c) UDAY Scheme:

In my letter dated 23.10.2015, I have stated that Government of Tamil Nadu will take over Rs.17,500 crore of loans of TANGEDCO initially under the proposed UDAY Scheme of the Government of India subject to the following:

a) Additional borrowing towards principal repayment and interest servicing on account of DISCOM debt takeover to be provided over and above the normal borrowing limit, by relaxing the FRBM norms over a period of 15 years and not be restricted to only the initial two years, as the debt takeover

would adversely affect the fiscal deficit during the entire tenure of the bond.

b) The State Government may be authorized to float 15 year bonds with 5 year moratorium and floating interest rate of not more than 20 basis points over and above the State's latest SLR bond rate.

c) The Government of India should provide 25% of the taken over debt as grant similar to the assistance provided when the Financial Restructuring Programme was implemented in 2012.

d) Commercial Banks should provide 50% cash loss financing for the next 5 years as some cash losses of the DISCOMs will persist during the initial period.

e) The scheme offer may be kept valid for a period of one year from the date of the Government of India order, so that the Government of Tamil Nadu will be in a better position to assess the available fiscal space after factoring in the impact of the Seventh Pay Commission proposals.

In addition, I request that the requirement of quarterly revision of tariffs to offset fuel price changes be dispensed with.

In our considered view, the UDAY scheme would be difficult to implement without these essential modifications.

I request you to instruct the Ministry of Power to consider Tamil Nadu's proposals.

4. Reviving the Electronic Manufacturing Hub at Sriperumbudur:

The Nokia Factory at Sriperumbudur in Tamil Nadu was one of the largest manufacturing facilities for mobile phones in the world. The Government of Tamil Nadu signed a Memorandum of Understanding (MoU) with Nokia on 06.04.2005 and with the support of the State Government, a Global Electronic Manufacturing Hub was developed. Unfortunately, retrospective amendments to tax laws brought in 2012 by the then UPA Government forced the Nokia plant to shut down in November, 2014 causing more than 15,000 direct employees to lose their jobs. You had announced in the Rajya Sabha in February, 2015, that the Government of India will take all necessary steps to revive the Nokia unit. M/s Foxconn have recently come forward to takeover and revive the plant. To enable such a takeover, the Government of India would have to facilitate the defreezing of Nokia's assets, frozen by an order of the Delhi High Court in an Income Tax case, by arranging for the proceeds of the sale/ lease transaction to be paid into a separate escrow account to meet the final tax liabilities.Such a course of action will ensure

that the existing plant is utilized, jobs restored to thousands of persons and production commenced immediately. **Your direct intervention is essential to ensure that the Income Tax authorities support the initiative of the State Government to revive a global manufacturing facility and restore the Electronic Manufacturing Hub at Sriperumbudur.**

5. Compensating Tamil Nadu for the Adverse Treatment by Fourteenth Finance Commission:

The Fourteenth Finance Commission (14th F.C.) recommended a substantial enhancement in the share of the States in the divisible pool of central taxes from 32% to 42%. While we welcomed this increase in tax devolution from the Centre to the States, **Tamil Nadu was singled out for the sharpest reduction in its share in the divisible pool of taxes. As against 4.969% share in the divisible pool of Central Taxes recommended by the 13th Finance Commission, Tamil Nadu's share came down to 4.023% in the 14th FC recommendations. The unbalanced formula adopted by the 14th FC treated Tamil Nadu most adversely.**

The reduction in the inter-se share of Tamil Nadu of 19.14 % represents the biggest loss in share amongst all States. Tamil Nadu was doubly penalized for its prudent fiscal management as it has not received revenue deficit grants.

The very large drop in Tamil Nadu's share in the divisible pool is barely compensated by the increase in the overall devolution pool by 10 per cent and Tamil Nadu's overall share in Central taxes has increased by just 0.1 per cent from 1.59 per cent to 1.69 per cent. The 14th Finance Commission has also not recommended any special purpose grants and State specific grants, of which Tamil Nadu received Rs.4,669 crore during the 13th Finance Commission period. **The loss to Tamil Nadu, due to the reduction in its share in the divisible pool and the discontinuance of special purpose and state specific grants is estimated at Rs.6,000 crore per annum.**

The Central Government has found numerous ways to claw back the increased devolution recommended by the 14th FC and to place additional burden on the State:-

✶ In the last two Union Budgets, many new cesses and surcharges have been levied, which reduce the shareable pool of Central Tax receipts and thereby the devolution to States. The conversion of Rs.4 per litre out of the specific duty of petrol and diesel into a road cess, the replacement of wealth tax with a surcharge on income tax of 2 per cent on the super rich, levy of the Swachh Bharat Cess, Krishi Kalyan cess, infrastructure cess on Excise Duty on vehicles and the doubling of the Clean Environment Cess are all examples of this retrograde approach.

✶ Many schemes have been de-linked from Central Assistance including Normal Central Assistance (based on the Modified Gadgil-Mukherjee formula), Backward Regions Grant Fund, Hill Areas Development Programme and Western Ghats Development Programme.

✶ The State's share for 13 key programmes, including National Agricultural Development Programme, Pradhan Mantri Krishi Sinchayee Yojana, Sarva Shiksha Abhiyaan, National Health Mission, National Livelihood Mission, Smart Cities Programme, Housing for All and Integrated Child Development Service (ICDS) has been increased to at least 40 per cent.

The State being required to take on the burden of additional expenditure on Central Government priorities is an unfair expectation and detracts from the States' own expenditure priorities. In order to redress the large financial loss that Tamil Nadu had suffered as a consequence of the recommendations of the Fourteenth Finance Commission, I had requested a sizeable allocation to Tamil Nadu out of the special allocation made in the Budget for schemes to be approved by the NITI Aayog. Based on this request, in 2015-2016 Tamil Nadu received release of Rs.552 crore. This is meagre recompense.

I request you to enhance the annual special grant to Tamil Nadu to Rs.2,000 crore in each of the remaining four years of the 14th Finance Commission Award period up to 2019-2020. We have a ready shelf of large projects that could be funded out of this special allocation including the Comprehensive Special Package for Diversification of Fisheries, Desalination Projects and several infrastructure projects under the Vision Tamil Nadu 2023.

6. Release of Pending 13th Finance Commission Grants:

The Thirteenth Finance Commission had recommended a grant of Rs.11,366.90 crore to Tamil Nadu for the five year award period, which came to an end on 31st March, 2015. Apart from the Local Body Grants, Maintenance Grants and State Disaster Response Fund allocations which amounted to Rs.8,537.33 crore, Rs.2,829.57 crore was earmarked for State Specific Needs Grant and other Grants-in-aid. Of this, only Rs.1,805.82 crore has been released to Tamil Nadu. Utilization certificates have been submitted for a further sum of Rs.522.91 crore incurred up to 31.03.2015 to the respective Ministries and the Ministry of Finance and this amount is yet to be released. Even on earlier occasions, the Union Government had released grants towards expenditure incurred during the award period after

the expiry of the Finance Commission's award period. Hence, I request you to instruct the officials of the concerned Ministries to release the balance grants towards expenditure within the award period under the 13th Finance Commission recommendations based on the utilisation certificates already furnished.

7. Goods and Services Tax:

Tamil Nadu is concerned about the impact the proposed GST will have on the fiscal autonomy of States and the huge permanent revenue loss it is likely to cause to a manufacturing and net exporting State like Tamil Nadu.

We are happy that some of the concerns raised by us have been addressed - the provision for Declared goods, which is against the principle of harmonization has been removed; alcoholic liquor meant for human consumption has been kept outside the purview of GST; and the provisions relating to Advisory Committees for dispute resolution have been dropped. However, a number of concerns of Tamil Nadu still need to be addressed including:

- GST Council as a constitutional body impinges on the legislative sovereignty of both the Parliament and the State Legislatures and completely jeopardizes the autonomy of the States in fiscal matters. We strongly object to the provision for

the GST Council. The existing mechanism of the Empowered Committee of State Ministers which dealt with VAT issues is adequate. Ideally, no statutory GST Council is required.

✶ Furthermore, the decision making rule and voting weightage in the proposed Council are unacceptable. They give the Government of India an effective veto in the GST Council and no distinction is sought to be made amongst the States in weightage. Hence, if at all a Council is formed, the weightage of the vote of the Central Government should be reduced to **one-fourth** of the total votes cast and that of the States correspondingly increased to **three-fourths**. Further, the weightage of each State's vote should be in proportion to the representation of the State in the Council of States (Rajya Sabha). This is important as the changeover to GST has different implications for different States based on their size and reliance on own tax revenues.

✶ P**etroleum and Petroleum Products must be kept outside GST permanently in view of the revenue impact and the positive environmental and social impact of high effective taxation on these items.**

✶ **There is a need to enable the States to levy higher taxes on tobacco and tobacco products on par with the Centre, as States like Tamil Nadu already levy a higher**

rate of tax on tobacco and tobacco products on account of the public health concerns.

✶ It is quite clear that a manufacturing State like Tamil Nadu will permanently lose substantial revenue if GST is implemented, due to the shift of the levy from the point of origin to the point of destination and also due to the phasing out of Central Sales Tax and transfer of input tax credit on inter-State sales and inter-State stock transfers to the destination States. Due to the difficulty in fixing even nominally high revenue neutral rates, it is expected that the extent of revenue loss under GST would be around Rs.9,270 crore for Tamil Nadu.

✶ Tamil Nadu reiterates the need for a constitutionally mandated independent compensation mechanism for full (100 per cent) compensation of revenue losses suffered by the States for a period of not less than five years.

✶ In lieu of the proposed additional levy of 1 per cent tax on inter-State supply of goods, Tamil Nadu suggests that the origin States may be allowed to retain 4 per cent of the Central GST part of the inter-State GST that would be leviable on inter-State supply of goods and services as this would ensure speedy recompense for a portion of the revenue loss and will reduce the amount of compensation

payable. Further, as this comes out of the CGST component, it does not affect the destination State's revenue or cause any cascading.

Hence, the stand of the Government of Tamil Nadu is that before the Constitutional Amendment Bill on GST is taken up, the Government of India should strive for a broad consensus on important issues like the compensation period and methodology, revenue neutral rates, floor rates with bands, commodities to be excluded from GST, the IGST model and clarity on dual administrative control, so that the genuine apprehensions of States regarding loss of fiscal autonomy and permanent revenue loss are allayed.

8. Central Sales Tax Compensation:

As part of the road map for the implementation of GST, the Central Sales Tax (CST) rate was reduced from 4% to 3% with effect from 01.04.2007 and further brought down to 2% with effect from 01.06.2008. The Government of India agreed to implement various non-revenue measures and direct release of funds to compensate the States for the revenue losses. **The Government of Tamil Nadu has been submitting its compensation claims regularly but has not received the promised compensation in full. We are grateful that after a long delay of nearly**

four years, a sum of Rs.2,000 crore was finally released in March, 2015 which was followed by further releases totalling Rs.2,238.35 crore during 2015-2016. However, even after these releases, as against the State Government's claim of Rs.13,227.46 crore for the period from 01.04.2007 to 31.03.2013, a sum of only Rs.6,875.25 crore has been released by Government of India. Rs.6,352.21 crore is yet to be reimbursed by the Government of India. We request that the entire outstanding compensation claims of Tamil Nadu should be sanctioned and released at the earliest.

9. Release of Further Assistance towards Restoration and Reconstruction of Flood Damages:

You are personally aware of the devastation caused by floods in Northern Districts of Tamil Nadu including Chennai city due to the unprecedented rainfall in November-December, 2015. The Government of Tamil Nadu had submitted two Memoranda seeking a assistance totaling Rs.25,912.45 crore for temporary and permanent restoration. The Government of India has so far released only Rs.1,737.65 crore from the National Disaster Response Fund to Tamil Nadu.

Although the State Government has taken up extensive restoration works out of its own funds, many permanent restoration and mitigation works require further assistance

from the Government of India. I request you to release further assistance to Tamil Nadu towards flood related restoration and mitigation works.

10. Special Scheme for Construction of Houses for the Urban Poor Residing in Water Courses and Water Bodies:

You are personally aware that Tamil Nadu faced severe floods during December, 2015 which caused huge devastation. I had written to you on 14.12.2015, requesting urgent sanction of a special scheme for construction of 50,000 houses to resettle the urban poor residing in water courses and water bodies at a cost of Rs.5,000 crore. I had also requested a special allocation of Rs.750 crore under "Housing for All" Mission for in-situ re-construction of 50,000 houses in and around Chennai which had been damaged due to the severe floods. We have received no response from Government of India on these two proposals.

I strongly reiterate my request to sanction a special scheme for construction of 50,000 houses at a cost of Rs.5,000 crore and for a special allocation of Rs.750 crore under "Housing for All Mission" for in-situ reconstruction of 50,000 houses which were damaged due to the floods.

11. Realignment of Proposed Kochi-Bengaluru GAIL Pipeline:

The proposed Kochi-Koottanad-Mangaluru-Bengaluru gas pipeline project of GAIL (India) Limited along the present proposed alignment would cause irreparable damage to the agricultural property of thousands of farmers in seven Districts of Tamil Nadu. Recent amendments to the Right of Use under the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962, have made farmers culpable for damages to the pipeline, even those occurring without their knowledge.

The Government of Tamil Nadu believes that a realignment of the pipeline route along the highways with the least harm to the people and the least adverse impact on agriculture would be the best way forward to implement the project. The Government of Tamil Nadu has already constituted an Expert Committee to examine the possibilities of realigning the pipeline along the National Highways, and officials of GAIL can also join this Committee, to find a mutually acceptable solution so that the implementation of the project can proceed without affecting the interests of poor agriculturists.

Under the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962, the Competent Government

is the Central Government, and I reiterate the request I had made when I wrote to you on this issue on 08.02.2016, to intervene urgently and direct the following actions to be taken:

- ✶ The Government of India may rescind the Notifications S.O. 486(E) dated 05.03.2011 issued under Section 3 and all other notifications issued subsequently under the said Section, S.O. 2832(E) dated 19.12.2011 under Section 6(1) and S.O. 12 (E) dated 04.01.2012 under Section 6(2) and all other Notifications issued before and after that date under said Section, by the Ministry of Petroleum and Natural Gas for the GAIL pipeline in Tamil Nadu. The Central Government is empowered to withdraw the notification under Sec.93 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 read with Sec.18 of the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962.

- ✶ Direct GAIL India Ltd not to act upon the said Notifications pending a final view of the matter and to join the Expert Committee constituted by the Government of Tamil Nadu.

- ✶ Amend the relevant provisions of the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 and the Right to Fair Compensation and Transparency in

Land Acquisition, Rehabilitation and Resettlement Act, 2013 to provide for the conduct of a Social Impact Assessment for acquisition under the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962.

I request your immediate intervention to ensure that this sensitive issue which has huge implications for the farmers and the common people of Tamil Nadu can be resolved through a constructive and accommodative approach.

12. Agriculture:

(a) Solar Power in Agriculture:

In Tamil Nadu, ground water irrigates 62% of the area under irrigation. From 2013-2014, solar pumping systems have been provided to farmers in the State with 80% subsidy (50% under the National Agricultural Development Programme (NADP) and 30% from Ministry of New and Renewable Energy (MNRE)) and 20% farmers' contribution. So far 2,100 five HP AC solar pumps have been installed at a total cost of Rs.90 crore. In 2016-2017, 2,100 solar pumping systems of up to 10 HP are proposed to be installed at a total cost of Rs.114 crore.

I understand that the Government of India proposes to implement a new scheme for promotion of Solar pump sets with Micro Irrigation Systems with a sharing pattern of

30:65:5 (Centre:State:Farmer). The State's share is to be met through a loan from Nationalized banks and NABARD's Rural Infrastructure Development Fund (RIDF). The debt service is to be funded by the State through the levy of an additional cess on electricity consumed in the industrial and commercial sectors. This does not appear to be a feasible option with several regulatory issues. Hence, **the Government of India should consider retaining the sharing pattern of Government of India 80%, State 15% and Farmers 5% for the solar pump set scheme**.

(b) Replanting and Rejuvenation of Coconut Gardens in Tamil Nadu:

Tamil Nadu comes third in terms of area cultivated under coconut, but stands first in terms of production (6,917.25 Million Nuts) and productivity (14,872 nuts/Ha). However,the State faces challenges in maintaining the productivity of coconut groves due to severe pest and disease attacks and senile and unproductive palms. To increase yield, coconut palms have to be replanted. Government of Tamil Nadu has proposed a special package with a total outlay of Rs.3,397.80 crore including subsidy of Rs.757.95 crore (25% of the outlay) to improve existing gardens, remove old / senile palms and replant coconut seedlings. The project covers 161 lakh palms

in 92,000 hectares. This proposal is under consideration of the Ministry of Agriculture and Farmers' Welfare. As this scheme would raise yield and increase edible oil production **the Government of India may kindly consider early sanction of scheme for the Rejuvenation and Replanting of Coconut Palms in Tamil Nadu.**

(c) Prime Minister's Fasal Bima Yojana (PMFBY):

Under the new crop insurance scheme, the Prime Minister's Fasal Bima Yojana(PMFBY), as the premium under PMFBY is to be determined on an actuarial basis, the Gross Premium Subsidy in Tamil Nadu would increase manifold from Rs.40 crore under National Agricultural Insurance Scheme (NAIS) to Rs.975 crore (GoTN share-Rs.487.5 crore & GOI share- Rs.487.5 crore). Even though GOI has come forward to share 50% of the premium subsidy, GoTN has to pay the balance 50% as its share, which would be a huge burden to the State. I request that the sharing of the premium subsidy should be on 75:25 basis between Government of India and the State Governments.

While perils like landslide, hailstorm and inundation are included as localized calamities, **gale winds which affect, on an average, about 1,500 acres of crops in Tamil Nadu during the summer have not been included as a localized**

calamity. It is requested that 'gale winds' may be included as a localized calamity in the PMFBY guidelines.

(d) Extending National Horticulture Mission (NHM) to all Districts:

In Tamil Nadu, there are seven different agro-climatic zones suited for horticultural crops. The National Horticultural Mission covers only 22 Districts. **I request that the remaining nine Districts may also be declared as NHM Districts, so that the farmers of these Districts will also get benefit of the NHM.**

(e) Micro Irrigation Scheme in Tamil Nadu:

Tamil Nadu is a water stressed State and Micro Irrigation has gained acceptance amongst the farming community.

The Micro Irrigation Scheme is being implemented with a Central and State sharing pattern of 60:40. Tamil Nadu is extending 100% subsidy to the small and marginal farmers and 75% subsidy to other farmers to further promote micro irrigation. I request you to allocate more funds to Tamil Nadu for micro irrigation **so as to cover the entire irrigable area as envisaged under the Vision Tamil Nadu 2023.**

(f) Establishment of APEDA's Regional Office in Tamil Nadu:

The Agricultural and Processed Food Production Export Development Authority (APEDA) promotes the export of agricultural commodities and processed food products.The State produces nearly 55.2 lakh MT of fruits, 69.6 lakh MT of vegetables and 3.11 lakh MT of flowers annually.

Mango, banana, papaya, vegetables, jasmine and cut flowers are produced in large quantities and exported worldwide.

At present, there is no APEDA Regional Office in Tamil Nadu. Given Tamil Nadu's production and export potential, the availability of four International Airports and four major seaports and connectivity within the State, the establishment of a full fledged Regional Office of APEDA in Tamil Nadu would greatly facilitate exports and further encourage the growers and exporters of the State.

13. Increased Allocation for Tamil Nadu under the National Livestock Mission:

The Government of Tamil Nadu has been implementing the flagship schemes of Distribution of Free Milch Cows and Goat and Sheep units to poor women in rural areas, since 2011. The National Livestock Mission was launched by Government of India during 2014-2015 and is being implemented in Tamil Nadu as a complementary scheme to the State Government's flagship schemes to ensure quantitative and

qualitative improvement in livestock production systems and capacity building of all stakeholders.

During the year 2014-2015 and 2015-2016, the Government of India released a sum of Rs.12.43 crore and Rs.4.87 crore respectively. For the year 2016-2017, the State has already submitted a proposal for an outlay of Rs.25.56 crore. The Government of India has sanctioned only Rs.7.04 crore to Tamil Nadu.

The Animal Husbandry sector is rapidly emerging as the largest incremental contributor to farm incomes in Tamil Nadu and needs to be provided a further fillip. Hence, I request you to instruct the Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture and Farmers' Welfare to sanction the balance of Rs.18.52 crore out of the proposal already sent and also to enhance the allocation for Tamil Nadu under the scheme to Rs.100 crore.

14. Public Distribution System Related Issues:

(a) National Food Security Act, 2013:

Some key suggestions made by Tamil Nadu to safeguard food security were not adequately addressed when the National Food Security Act was passed.

- Tamil Nadu seeks a legally binding assurance on the issue price of food grains for the additional assured quantity

provided for those States which are already drawing food grains over and above the guaranteed quantity under the Act. Such additional quantities should continue to be supplied to the States at Rs.3/- per kg. or at least at the current price applicable for Above Poverty Line families of Rs.8.30 per kg.

✶ Preferably the entire urban population should be covered as households eligible for allocation of subsidized food grains. Alternatively, at least 75 per cent of the urban population should be covered as in rural areas.

✶ Schedule I of the Act assures the limited allocation of subsidized food grains only for a period of 3 years from the commencement of the Act. The guarantee of supply of subsidized food grains with an assured level of subsidy from the Government of India should be for a period of at least 10 years.

✶ A provision to obligate the Central Government to import food in times of scarcity is very crucial to make this legislation truly a Food Security Act. The "Provisioning of Funds to State Government for Short Supply of Food grains Rules, 2014" are not an adequate safeguard of the interests of Tamil Nadu.

✶ All these measures are important to ensure that Tamil Nadu is in a position to continue to implement the

Universal Public Distribution System in the State in its present form without any dilution.

These issues have yet to be adequately addressed. Further, the extended time period up to 30.06.2016 to complete identification of the eligible households is not a realistic time frame. We have taken up the process of end-to-end computerization of the Public Distribution System, cleaning up the family card data base and seeding the family card data base with Aadhaar numbers. Only after this process is completed will it be possible to identify the priority households under the NFSA.

In this context, it is essential to ensure that the Public Distribution System, which functions most effectively in Tamil Nadu, and is the pride of the State, is not allowed to suffer in anyway by imposing unrealistic time lines. Hence, I request that the Government of India should exempt Tamil Nadu from the implementation of NFSA, until Tamil Nadu's legitimate concerns about this legislation are fully addressed.

(b) Adequate Kerosene Allotment for Tamil Nadu:

The monthly requirement of kerosene as per the entitlement of the family card holders is 59,000 KL per month as on 30.40.2016 for Tamil Nadu. The allocation, which was 59,780 KL of kerosene per month up to March, 2010, was reduced ten

times in the last few years and now stands at just 27,060 KL which is only 46% of the State's requirement. While increase in LPG connections is a nation-wide trend, the allocation of kerosene for some States has not been reduced in the same drastic proportion as was done in case of Tamil Nadu.

I request you to immediately restore the kerosene allocation of the State to the required level of 59,000 KL per month.

(c) Direct Benefit Transfer for PDS Kerosene:

The Government of Tamil Nadu is strongly opposed to any move to monetize and transfer in cash the subsidy element under the Public Distribution System, as the critical concern of the Public Distribution System is the access and availability of commodities and not the quantum of subsidy.

I request you to drop the move of Direct Transfer of Kerosene subsidy to the bank account of the beneficiaries and continue with the supply of kerosene through fair price shops at subsidized rates under the Public Distribution System.

15. Modernization of Police Force:

The Tamil Nadu Police is one of the most professional and efficient Police Forces in the Country. The constant vigil maintained by the Police Force has ensured a stellar record for the State in maintaining law and

order and effectively combating threats to internal security. The previous UPA Government had approved an estimated allocation of Rs.12,379.30 crore for the scheme of Modernization of State Police Forces, for the five year period from 2012-2013 to 2016-2017, which is woefully inadequate for the needs of the entire Police Force of the Country. **Tamil Nadu itself would require around Rs.10,000 crore in the next few years for modernization of its Police Force**.

I welcome the Government of India's decision to continue Central Assistance for the 'Modernization of Police Force' Scheme from this year onwards. **I strongly urge that Central funding must be substantially enhanced** to support the State's effort to create a world class, modern and efficient Police Force. I request the Hon'ble Prime Minister to consider my earlier requests for early release of funds under this scheme.

I also request that Government of India may arrange for DGS&D rates for all the equipment to be purchased under Modernization of Police Force so as to enable early procurement of the above by this State.

16. Chennai Metro Rail-Pending Project and Policy Issues:

The Chennai Metro Rail Limited, a joint venture of Government of India and Government of Tamil Nadu requires

support on certain key policy issues from the Government of India:

(a)Chennai Metro Rail Project Phase II:

Metropolitan Chennai has been growing rapidly and traffic volumes have increased greatly. It is the intention of my Government to promote public transport of various forms including metro rail to ensure that the share of public transportation in Chennai city is substantially increased.

Phase I of the Chennai Metro Rail Project which is currently under implementation, will cover a total length of 45 Kms. The Phase I Extension from Washermanpet to Tiruvottiyur / Wimco Nagar covering a further 9.51 KMs at a cost of Rs.3,770 crore has also been recently approved by the Government of India.

There is a need to substantially expand the Metro Rail network in the city of Chennai to substantially improve the share of public transportation. A Detailed Feasibility Report for the expansion of the Chennai Metro Rail Project along 3 corridors – North West to South East; West to East; and an orbital corridor at an estimated cost of Rs.44,000 crore has already been approved by the Government of Tamil Nadu. The Detailed Project Report will be ready shortly.

The Chennai Metro Rail Project Phase II has been included in the Rolling Plan for the current year for Japan International Co-operation Agency (JICA) for funding. I request you to instruct the Ministry of Urban Development and the Ministry of Finance to support the proposed Phase II of the Metro Rail Project of Chennai to ensure that all necessary clearances are provided expeditiously and work can commence early.

(b) Merger of MRTS, Chennai with Chennai Metro Rail Limited:

Integration of the Chennai Mass Rapid Transit System (MRTS), a project implemented by the Railways with the Chennai Metro Rail is desirable and feasible as the MRTS has been substantially funded by the Government of Tamil Nadu. Such integration would enable effective synergies between various modes of public transport and increase share of public transport. The process of approval by Government of India may be expedited.

(c) Amendments to Memorandum of Understanding (MOU):

The Chennai Metro Rail Project is being implemented on a joint ownership basis between the Government of India and Government of Tamil Nadu. In the Tripartite Memorandum of Understanding (MoU) that was entered into between

Government of India, Government of Tamil Nadu and Chennai Metro Rail Limited, for implementing the project, the then UPA Government and the then DMK led State Government had included certain clauses which are not in the interest of the State Government and of the Project. These clauses do not provide for an equitable sharing of risks and costs.

Clause 12.1 requires the State Government to bear the full cost of land and Relief & Rehabilitation cost, including escalation. The land acquisition cost is provided by the State Government as subordinate debt to CMRL. This skews the capital structure of the company towards higher debt. Further, while the State Government has to pay Central Government Departments for their land, State Government land is provided free of cost. A fair solution would be to consider land cost as equity contribution of the Central or State Government who are transferring the land.

As per Clause 11 of MoU, any escalation in Project Cost and foreign exchange fluctuation beyond the approved project completion period has to be fully borne by the State Government. As per Clause 12.16, cash losses have to be borne only by the State Government. On the other hand if there is a profit, the Central Government would be entitled to dividend.

It is essential to have a detailed review of the provisions of the MoU and to suitably revise the clauses to make it more fair and equitable, truly reflecting the spirit of joint ownership.

(d) Railway lands taken by Chennai Metro Rail on lease basis:

Chennai Metro Rail Limited has taken Railway lands on long lease basis for implementation of Chennai Metro Rail Project on payment of 99% of market value for a period of 35 years extendable for another 35 years. In spite of payment of 99% of land value, the surface rights have been retained by Railways, which is very unfair. A policy view has to be taken by Government of India. If the Railways need the surface rights, then they should charge only nominal / token lease rent for use of the land for underground work. Alternatively, full rights including surface rights should be given to Chennai Metro Rail Limited by transferring the land valued at full market value as Central Government's equity contribution to the project.

17. Rural Development:

(a) Pradhan Mantri Gram Sadak Yojana (PMGSY):

Tamil Nadu is one of the best performing States under the Pradhan Mantri Gram Sadak Yojana since its inception.

The State has so far completed 6,284 road works covering a length of 13,018 Km at a cost of Rs.2,925 crore. The State has completed more than 90% of the works sanctioned by Government of India. Tamil Nadu has submitted a proposal under PMGSY Phase X for taking up 595 road and bridge works at an estimated cost of Rs.795.01 crore to the Ministry of Rural Development. I request you to direct the Ministry of Rural Development, Government of India to accord early approval for these proposals under PMGSY.

(b) Pradhan Mantri Awaas Yojana-Gramin (PMAY-G):

I thank you for acceding to my request and increasing the unit cost for rural houses under the revamped Pradhan Mantri Awaas Yojana-Gramin (PMAY(G)) which has replaced the Indira Awas Yojana (IAY).

In each successive year the allocation of houses under the erstwhile Indira Awaas Yojana (IAY) for Tamil Nadu was considerably reduced – from 1,00,553 houses in 2011-2012 to 45,000 houses in 2015-2016. As per available data, Tamil Nadu has 21.83 lakh kutcha houses in rural areas. In addition, Tamil Nadu has been affected by the various natural calamities like cyclone and floods regularly. So, there is a huge demand from the rural poor to have protected shelter.

To achieve the goal of Housing for All by 2022, I request that under the PMAY(G), **two lakh houses** may be allotted for Tamil Nadu from the year 2016-2017 onwards. I request you to appropriately direct the Ministry of Rural Development.

(c) Rural Sanitation:

Tamil Nadu has achieved the best performance in the Sanitation sector during 2015-2016, with the construction of 9.48 lakh Individual Household Toilets (IHHL), out of which 6.35 lakh IHHLs have been constructed under Swachh Bharat Mission (Gramin) (SBM-G). Over 1,600 villages have been made Open Defecation Free and overall sanitation coverage increased by 10% in a single year. Tamil Nadu has also become the pioneer in the implementation of Solid Waste Management activities in the rural areas in convergence with MGNREGS. "Thooimai Kaavalars" (Protectors of Cleanliness) who are MGNREGS Workers are engaged in 9,000 Village Panchayats for door to door collection, segregation and safe disposal of waste, which has helped keep villages clean and tidy. I am happy to note that Government of India is taking efforts to replicate the Tamil Nadu Model in other States.

The overall requirement of Central Share for 2015-2016 under SBM(G) was Rs.298.19 crore. However, the Government of India released only Rs.78.94 crore during

2015-2016 leaving a balance of Rs.219.25 crore, which is yet to be released. For 2016-2017, it is proposed to take up 7.66 lakh IHHLs under SBM(G) for which the total requirement of Central Share is Rs.593.19 crore. Only Rs.210.42 crore was released during April, 2016 for 2016-2017 by Government of India. Hence, an amount of Rs. 602.02 crore, inclusive of previous year's balance is required from the Government of India as Central Share during 2016-2017. Any delay in the release of funds will adversely affect the success of the sanitation programmes. I request you to direct the Ministry of Drinking Water and Sanitation to speedily release the required funds.

(d) Funding under National Rural Livelihoods Mission for Tamil Nadu:

Tamil Nadu State Rural Livelihoods Mission (TNSRLM) is being implemented by Tamil Nadu Corporation for Development of Women (TNCDW) in 31 Districts except Chennai. Out of 385 blocks, 120 blocks are covered under the Pudhu Vaazhvu Project funded by the World Bank and the TNSRLM is being implemented in the remaining 265 blocks.

A detailed State Perspective Implementation Plan for TNSRLM has been prepared covering 265 blocks in the State at an estimated outlay of Rs.3,297 crore and submitted

to Government of India. However, the Government of India had sanctioned funds only for 60 blocks. So far a sum of Rs.564 crore had been received in the past four years. To ensure equitable economic and social development across the State, the Government of Tamil Nadu strongly feels that it is necessary to implement the Rural Livelihoods Mission in the remaining 205 blocks also.

I strongly urge the Government of India to extend financial support to cover the remaining 205 blocks without insisting on poverty index ratio to enable replication of a successful inclusion and empowerment programme across the State.

18. Textile Sector:

(a) Additional grant for completion of Common Effluent Treatment Plants in Tiruppur:

Tiruppur is the largest Textile Export Cluster in India. There are more than 500 Dyeing Units located in Tiruppur. 18 Common Effluent Treatment Plants have been established to achieve zero liquid discharge from the processing plants. My Government had sanctioned grant of Rs.112 crore and interest free loan of Rs.203.290 crore to these 18 Common Effluent Treatment Plants to enable the plants to function effectively, meeting their debt service obligations. Government of India has so far released Rs.187.50 crore as subsidy.

However, these Common Effluent Treatment Plants are still not fully functional due to lack of crucial further financial support. Bank loans of Rs.519.45 crore availed by these Units have become Non Performing Assets. In my Memorandum dated 07.08.2015, I had requested for release of Rs.200 crore for completion of these Common Effluent Treatment Plants in Tiruppur as the State Government has already extended huge financial assistance from its limited resources.

I reiterate my request that an additional grant of Rs.200 crore may be immediately sanctioned to the Common Effluent Treatment Plants in Tiruppur.

(b) Release of pending grants under Textile Upgradation Funds Scheme (TUFS):

Under the revised restructured TUF Scheme, a large number of textile mills in Tamil Nadu have not yet been provided with the subsidy to which they are eligible. A total amount of about Rs.1,500 crore is yet to be released under TUFS to entrepreneurs in Tamil Nadu. I request you to direct the Ministry of Textiles to expedite the release of this subsidy.

(c) Sanction of Funds under Integrated Processing Development Scheme (IPDS):

About 1900 Textile, Dyeing and Bleaching Units are located 17 clusters in Erode, Salem, Karur and Namakkal

Districts along the river Cauvery. In order to prevent further pollution and also to attain Zero Liquid Discharge, I announced a Scheme for the rehabilitation of these Units. 5 Diagnostic Study and Feasibility Reports have been sent to Government of India for in-principle approval. The Detailed Project Report for the Kadayampatti Cluster has also been sent to Ministry of Textiles for sanction of Rs.75 crore as Government of India share under IPD Scheme. The State Government has intimated its willingness to bear its share of the cost for these projects. A Captive Power Plant is an essential component of the proposal and very critical to make the projects viable is not being permitted by the Ministry of Textiles. I request you to intervene in the matter and instruct the Ministry of Textiles to accord in principle approvals for the 5 clusters; accord sanction of funds to the Kadayampatti cluster and permit inclusion of Captive Power Plants as a component of the Common Effluent Treatment Plants under the IPD Scheme.

(d) Release of Government of India share under Marketing Incentive Component of National Handloom Development Programme:

The Government of India's share of the Marketing Incentive Component of the National Handloom Development

Programme for 2014-2015 and 2015-2016 totalling Rs.85.38 crore may be released to Tamil Nadu immediately.

19. Health:

(a) National Eligibility cum Entrance Test (NEET):

The Government of Tamil Nadu has taken a number of steps, starting from 2005, towards systematizing the admission process to medical colleges, and after careful consideration, abolished entrance examinations for professional Undergraduate courses in the State, by enacting the Tamil Nadu Admission in Professional Educational Institutions Act, 2006. This Act was given effect to after receiving the assent of the President under Article 254(2) of the Constitution. This Act has been upheld by a decision of the Division Bench of the Madras High Court which was affirmed by the Apex Court.

This measure was taken keeping in view the interests of students, particularly from the weaker sections and rural areas, to ensure that a level playing field is created. The introduction of NEET would be a direct infringement on the rights of the State and would cause grave injustice to the students of Tamil Nadu who are already covered by a fair and transparent admission policy which has been working well. My Government has taken the consistent stand that rural students

and students from poorer socio-economic backgrounds will be unable to compete with urban elite students in Common Entrance Examinations. Rural students will be put to great disadvantage because they lack the resources to enroll in coaching institutes and access materials available to urban students.

For admission to Post graduate courses, the Government of Tamil Nadu gives preference to those who have served in rural areas, with special weightage for those working in hilly and tribal areas. The State Government has also successfully obtained and enforced bonds from those completing Post graduate education in Government Medical Colleges to serve the State Government for a minimum period, which has helped us to meet the need for specialist medical human resources in Government Hospitals.

The introduction of NEET would nullify the implementation of these policy initiatives and socio-economic objectives of the State, as the regulations for a National Test would not have such enabling provisions. The National Test is out of tune with the prevailing socio-economic milieu and administrative requirements of Tamil Nadu.

The promulgation of an Ordinance providing for exemption from the National Eligibility cum Entrance Test

(NEET) for this academic year (2016-2017) in respect of State Government seats (whether in a Government medical college or in a private medical college) at the Under graduate level has temporarily addressed a part of the issue.

I request you to permit Tamil Nadu through appropriate legislative intervention to continue its existing fair and transparent system of admission to medical colleges and dental colleges in State at the Under graduate and Post graduate levels on a permanent basis and not be forced to implement the NEET.

(b) Government of India Funding for Increase of 345 MBBS Seats in Government Medical Colleges:

Under the Centrally Sponsored Scheme of "Upgradation of existing State Government/Central Government Medical Colleges to increase MBBS seats in the Country", the Government of Tamil Nadu has sent proposals to Government of India on 27.12.2014 seeking an additional 345 MBBS seats in four Government Medical Colleges at Kanniyakumari, Coimbatore, Tirunelveli and Madurai. The cost of the proposal is Rs.451.60 crore including a Central share of Rs.290 crore.

Though the scheme was approved in the Empowered Committee meeting headed by Secretary to Government

of India, Department of Health and Family Welfare, held on 29.12.2014, so far only a sum of Rs.9.50 crore has been released by the Government of India.

Government of India should release the entire balance amount of Rs.280.30 crore in one lumpsum to enable the State Government to put in place the necessary facilities for the additional 345 MBBS seats in the above four Medical Colleges from the academic year 2017-2018.

(c) Setting up of AIIMS in Tamil Nadu:

The proposal to establish an AIIMS in Tamil Nadu, which was announced in the Union Budget 2015-2016, is yet to be approved by Government of India although a Central Team visited Tamil Nadu as early as 23rd-25th April, 2015 and inspected all the five sites proposed by the State Government at Sengipatti in Thanjavur District, Thoppur in Madurai District, Pudukkottai Town in Pudukkottai District, Perundurai in Erode District and Chengalpattu in Kancheepuram District and submitted its report to the Government of India.

The final decision on the location may be expedited and the necessary financial sanction accorded by Government of India without further delay.

20. Urban Development:

(a) Inclusion of Four More Municipalities under Atal Mission for Rejuvenation and Urban Transformation (AMRUT):

32 Cities / Towns in Tamil Nadu originally qualified for inclusion under the **Atal Mission for Rejuvenation and Urban Transformation (AMRUT).**

Subsequently, the Government of India in May, 2015 had requested to identify such Urban Local Bodies whose population as per the Census 2011 was less than one lakh but has increased beyond one lakh before 31.12.2014 because of newly added areas. The Municipalities of **Karur, Villupuram and Namakkal** qualify under this criterion.

Udhagamandalam (Ooty), one of the most popular tourist destinations in the country, is a Municipality with a population of 88,422 (2011 census) and has a floating population of 50,000 per day. It is eligible to be included in the AMRUT.

The Government of India may therefore consider inclusion of the four towns of **Karur, Villupuram, Namakkal and Udhagamandalam** under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT).

(b) One Time Financial Assistance to Complete Drinking Water Projects taken up under National Rural Drinking Water Programme (NRDWP):

The Government of Tamil Nadu is committed to provide piped water supply to all rural habitations. To fulfill this objective, a large number of works have been taken up under the **National Rural Drinking Water Program (NRDWP).**

In the Annual Action Plan for 2015-2016 under the National Rural Drinking Water Program, **99 projects including 79 Combined Water Supply Schemes (CWSS) have been approved by the State Level Scheme Sanctioning Committee. Under NRDWP, funds to the tune of Rs.2,405.18 crore are required to complete the projects, out of which as per the guidelines of the National Rural Drinking Water Programme the State share amounts to Rs.1,340.94 crore.**

Government of India's share works out to Rs.1,064.24 crore, against which only a sum of Rs.138.01 crore has been allocated.

The Government of India may therefore provide a special assistance of **Rs.926.23 crore** to enable speedy completion of the said projects, benefiting the rural population of Tamil Nadu.

(c) Release of Second Instalment of Funds for Water Supply and Sewerage Projects taken up under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT):

Under the **Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)**, a sub mission of the **erstwhile Jawaharlal Nehru National Urban Renewal Mission (JNNURM)**, core urban infrastructure development projects including water supply were taken up. Government of India informed that projects with more than 50% physical and financial progress as on 31st March, 2014, will be funded under AMRUT till 31st March 2017.

Water Supply projects for Cumbum and Vellakoil and an Under Ground Sewerage Scheme for Nagercoil were taken up under UIDSSMT and are eligible for the second installment of funds under AMRUT. Utilization certificates for Government of India's share of Rs.37.42 crore have been furnished to Government of India on 20.03.2014, seeking the release of the second instalment of funds. The Government of India is yet to release funds.

I request you to instruct the Ministry of Urban Development **to release the eligible sum of Rs.37.42 crore for these 3 projects.**

21.School Education:

(a) Release of 13th Finance Commission Elementary Education Grant:

As per the 13th Finance Commission's recommendations, Tamil Nadu was eligible for a grant of Rs.164 crore in 2014-2015. As the Government of India did not release the full share of the approved budget for 2012-2013 for Sarva Shiksha Abhiyaan, the requisite expenditure growth did not take place in that year, and the 13th Finance Commission recommended grant was not released. The withholding of release of the 13th Finance Commission Grant for 2014-2015 due to this shortfall has imposed a double jeopardy on the State Government, which has suffered short release of funds by GoI both under SSA and the 13th FC grants. Therefore, Rs.164 crore recommended by the 13th FC must be released to GoTN.

(b) Release of Grants under Sarva Shiksha Abhiyaan:

Under the Sarva Shiksha Abhiyaan, for the year 2015-2016, the Project Approval Board (PAB) of the Ministry of Human Resources Development had approved an outlay of Rs.2,329.15 crore with a Government of India share (60%) of Rs.1,397.49 crore. However, the actual release was only Rs.821.11 crore, resulting in a shortfall of Rs.576.37 crore, despite the State having submitted all necessary documentation well in

time and having met all its commitments and performance parameters. This shortfall is unfortunate, as SSA expenditure has earmarked funding through the Education Cess which is not even shared with States as part of tax devolution. I request that balance amount of Rs.576.37 crore due to Tamil Nadu for 2015-2016 under SSA be released at the earliest.

(c) Right to Education (RTE) Act Implementation:

Tamil Nadu has implemented the RTE Act 2009 in right earnest, especially the provision relating to reserving 25% seats in private schools for children from weaker sections and disadvantaged groups. 44,905 students in 2013-2014 and 1,23,439 students in 2014-2015 were admitted to private schools under Section 12(1)(c) of the RTE Act 2009. The reimbursement due to private schools for these admissions is Rs.97.05 crore which has been entirely sanctioned and released to private schools by the State Government. The same was proposed for inclusion in the SSA Budget of Tamil Nadu for 2016-2017. However, only Rs.18 lakh has been approved by the MHRD for reimbursement. Section 12(1)(c) of the RTE Act 2009 clearly mandates that where the schools provide pre-school education, admissions have to be made at pre-school level itself. Section 7 of the Act further provides that the Central and State Governments

have concurrent responsibility to provide funds to carry out the provisions of the Act. Thus, the action of the Ministry of Human Resources Development to place entire burden of reimbursement of fees for 2013-2014 and 2014-2015 on the State Government is contrary to law. The State Government is being penalized for implementing the RTE Act in letter and spirit. The amount already reimbursed by Government of Tamil Nadu to private schools may be included in full in the SSA Budget and released to the State at the earliest.

22. Post Matric Scholarships for Scheduled Castes and Scheduled Tribes – Release of Funds:

Tamil Nadu is implementing the Centrally Sponsored Scheme of Post Matric Scholarship for students belonging to the Scheduled Castes and Scheduled Tribes pursuing higher studies in recognized institutions. Under this scheme, 100 per cent Central Assistance is provided to all States/UTs beyond the committed liability. In the three financial years, 2013-2014, 2014-2015 and 2015-2016, the Government of Tamil Nadu has filed claims totaling Rs.2,551.38 crore for both the categories. As against this claim, only Rs.1,314.24 crore was released by the Government of India leaving a balance of Rs.1,167.69 crore.

While the Ministry of Social Justice and Empowerment has admitted Tamil Nadu's claims, funds have not been released due to insufficient budgetary allocations. Timely release of scholarships is very essential to keep the students, most of whom are from very poor families, adequately motivated to pursue their studies. Given the importance and sensitivity of this scheme, I request that the Ministry of Finance may be directed to provide adequate funds to the Ministry of Social Justice and Empowerment to release the entire pending Central share of Rs.1,167.69 crore due to Tamil Nadu under the Post Matric Scholarship Scheme for Scheduled Castes and Scheduled Tribes.

23. Information Technology:

(a) Approval of Project for Implementation of State led model of Bharat Net in Tamil Nadu:

I had announced that high quality, low cost broadband and other internet services will be provided to Village Panchayats to be linked under the Bharat Net Scheme. The Government of India has also accepted the Government of Tamil Nadu's proposal of a State-led model for Bharat Net. Accordingly, a Detailed Project Report was prepared and sent to Department of Telecommunication, Ministry of Communications and IT, on 04.02.2016 seeking funding of Rs. 4,628 crore from

Universal Service Obligation Fund (USOF) for implementing the project through a Special Purpose Vehicle (SPV). I request you to direct the Ministry of Communications and Information Technology to grant approval for the project at the earliest.

(b) Grant of Digital Addressable System (DAS) License to Tamil Nadu Arasu Cable TV (TACTV) Corporation Ltd.:

Tamil Nadu Arasu Cable TV (TACTV) Corporation was revived by my Government for providing Cable TV Services at an affordable cost to the public. TACTV has already submitted its application for grant of Digital Addressable System (DAS) License to GOI on 05.07.2012 and 23.11.2012. These applications are still pending with the Ministry of Information and Broadcasting. The deliberate non-issuance of DAS licence to the State Government owned Tamil Nadu Arasu Cable TV Corporation by the previous UPA Government was only to facilitate particular private business interests. Since then several representations and letters have been sent to Government of India but the license is yet to be issued. I request you to expedite the issue of DAS license to TACTV.

24. Micro, Small and Medium Enterprises:

(a) Special Relief Package for MSME Sector:

As you are aware, the torrential rains and the consequent flooding in the area around Chennai last year inflicted enormous

losses on MSMEs - damaging plant and machinery, buildings and stocks of raw materials and finished products. At the Government of Tamil Nadu's request, the State Level Bankers Committee (SLBC) of Tamil Nadu on 14.12.2015, after due consideration of the extraordinary circumstances, devised a package similar to the package adopted for MSMEs affected during floods of 2014 in Jammu and Kashmir. However, the Reserve Bank of India curtailed the package recommended by the SLBC. The issue could not be addressed over the last three months in view of the operation of the Model Code of Conduct for the Tamil Nadu Legislative Assembly Elections. The Ministry of Finance may be instructed to advise RBI to reconsider its views and accept the recommendations of the Tamil Nadu SLBC held on 14.12.2015.

(b) Modification of National Disaster Response Fund (NDRF) Guidelines to make MSMEs Eligible for Relief:

MSMEs are a very important sector in Tamil Nadu, with the State having the largest number of such units in the country. The existing norms of the National Disaster Response Fund (NDRF) provide for relief for loss of human life, crops, cattle, dwelling units etc. However, there is no provision for compensation to MSMEs on account of damages suffered during natural calamities. This anomaly needs immediate rectification. I request that NDRF norms may be suitably

revised and relief provided to flood affected MSMEs in Tamil Nadu.

Further, an appropriate area based insurance scheme with reasonable premia rates may also be considered for MSME units.

25. Investment by National Infrastructure Investment Fund (NIIF) in Tamil Nadu Infrastructure Fund:

I had launched the Vision Tamil Nadu 2023 which envisages an investment of Rs.15 lakh crore in infrastructure in the State. Investment of this order requires the tapping of several innovative financing mechanisms. Accordingly, Tamil Nadu became the first State to promote an Asset Management Company, the Tamil Nadu Infrastructure Fund Management Corporation Ltd (TNIFMC) with a 26 per cent State Government equity holding, to establish and manage innovative financing vehicles under SEBI regulations.

The Tamil Nadu Infrastructure Fund (TNIF) is the first of the Innovative Finance Vehicles (IFV) to be established. TNIF has been approved by SEBI as a Category (I) Alternative Investment Fund (AIF). As required under SEBI Regulations, TNIFMC will be the Asset Management Company for the Fund. Eminent professionals have joined the Board and

Investment Committee of TNIFMC to ensure professionalism and independence in investment decisions.

The National Infrastructure Investment Fund (NIIF), which has been set up with the same objective, is inter alia mandated to fund other AIFs. TNIF has made an application to NIIF for an investment commitment Rs.2,000 crore. Indian Infrastructure Finance Corporation Limited (IIFCL), the Investment Advisors to NIIF, have evaluated and recommended investment in TNIF to the NIIF Board, where it is under consideration.

I request you to instruct the Ministry of Finance to expeditiously approve the application, considering the strong merits of TNIF's proposal. It may be noted that TNIF is the only Infrastructure AIF promoted by a State Government and an investment in the Fund would also help NIIF to realise its objectives.

26. Sri Lankan Tamils Issue:

India has a commitment to protect the life and liberties of the Tamils in Sri Lanka, whose distinct identity and cultural presence in Sri Lanka, particularly in the Northern and Eastern regions, was the guiding principle behind the Indo Sri Lankan accord that led to 13th Amendment to the Sri Lankan Constitution. The process of securing the right to

self determination, through the devolvement of democratic decentralisation by the 13th Amendment to the Constitution of Sri Lanka, should be the spring board for Sri Lankan Tamils to eventually realise the aspiration of Tamil Eelam.

I strongly urge the Government of India to take all possible steps to ensure that the process of democratic decentralization, which is integral to the survival of the Tamils in Sri Lanka, is expedited. This should eventually lead to the Tamils of Sri Lanka realising their legitimate aspirations. I hope that the Government of India, as a leader in the region and as a champion of human rights and democracy, will decisively take a bold stand in support of the much discriminated against and long suffering Tamil minorities in Sri Lanka.

I urge the Government of India to take necessary measures to bring to book those in Sri Lanka who had perpetrated the genocide on innocent Tamils in Sri Lanka. Government of India should take the initiative in this regard in appropriate international fora like the United Nations Human Rights Council.

Dual Citizenship for Sri Lankan Tamil Refugees:

There are a sizeable number of Sri Lankan Tamils who have been residing in Tamil Nadu as refugees both within and outside refugee camps. The Government of

Tamil Nadu urges the Government of India to permit such refugees to hold dual citizenship of both India and Sri Lanka so that they could take up employment and business in India without any hindrance.

27. Restoring Scheduled Caste Status of Scheduled Caste Converts:

Eversince 1995, I have been taking up with the Government of India the inclusion of Scheduled Caste converts to other religions in the list of Scheduled Castes through an Act of Parliament as provided for in Article 341 of the Constitution.

I once again request the Government of India to initiate the necessary statutory steps to include all Scheduled Castes irrespective of religion within the ambit List of the Scheduled Castes under the Constitution (Scheduled Castes) Order, 1950. I also urge you to bring in the necessary Legislation to this effect in the ensuing session of Parliament.

28. Lifting the Ban on Jallikattu:

Jallikattu, a traditional sporting event of Tamil Nadu, is conducted as a part of the Pongal festivities in which bulls that are reared exclusively for this event are tamed by able bodied youth. Jallikattu is deeply ingrained as part of the cultural tradition of Tamil Nadu as a sport popular among warriors since the "Sangam era" and this 2,000 year old traditional sport

finds a mention in the ancient Tamil text “Silapathigaram”. It is inextricably linked to rural, agrarian customs and has religious significance, with families donating bulls to temples in fulfillment of vows. Jallikattu also addresses the cause of conservation of native germplasm since bulls with excellent physical attributes are reared.

The Hon’ble Supreme Court of India by a judgment dated 07.05.2014 banned the conduct of Jallikattu in the State of Tamil Nadu and also held that bulls cannot be used as performing animals either for Jallikattu events or for bullock cart races in the States of Tamil Nadu, Maharashtra or elsewhere in the country. The ban on Jallikattu has caused widespread resentment and general disappointment among the people of Tamil Nadu, particularly in the rural areas, since Jallikattu is intertwined with the religious and social cultural ethos of Tamil society. In January, 2015, the Government of Tamil Nadu had requested your personal intervention to enable the conduct of Jallikattu events in Tamil Nadu by denotifying bulls from the list of performing animals from the Notification dated 11th July, 2011, issued by the Ministry of Environment and Forests, Government of India. In my memorandum presented on 07.08.2015, I had requested you to lift the ban on Jallikattu. In December, 2015, I had again requested the promulgation of an Ordinance, to enable the holding of Jallikattu during Pongal Festival.

Based on the request, the Government of India, Ministry of Environment, Forest and Climatic Changes had issued a Notification No.G.S.R.13 (E) on 07.01.2016, but the Supreme Court of India issued an interim stay on 12.01.2016 on the notification and as a result Jallikattu could not be conducted during Pongal 2016 for a second year in succession. On 12.01.2016, I strongly reiterated my earlier requests to the Government of India to promulgate an Ordinance to enable the conduct of Jallikattu.

The Government of Tamil Nadu has filed a common counter affidavit before the Supreme Court of India on 08.03.2016 indicating the historical, cultural and religious significance for the conduct of Jallikattu and the next hearing of this case is on 26th July, 2016. I request that the Government of India to strongly support the Government of Tamil Nadu's stand.

I also reiterate my earlier suggested measures which would eventually pave the way for conducting Jallikattu events in Tamil Nadu:

(i) The Ministry of Environment and Forests, Government of India should denotify bulls as 'performing animals' from the Notification GSR 528(E) dated 11.07.2011 of the Ministry of Environment and Forests, Government of India.

(ii) Suitably amend Section 11(3) of the Prevention of Cruelty to Animals Act, 1960 by introducing a new clause ‘f’ in sub-section (3) of Section 11 specifically exempting Jallikattu in addition to other exemptions already provided in the Act.

29. Tamil as an Official Language and Use of Tamil in the High Court:

The long pending demand of the people of Tamil Nadu is to make the ancient Tamil language an official language of the Government of India. Tamil Nadu strongly urges the Government of India that all the languages included in the Eighth Schedule of the Constitution of India be declared as official languages of the Government of India.

There has been a long standing request of the people of Tamil Nadu regarding the language to be used in the High Court. **I had already requested the Government of India to take up the matter again with the Hon’ble Supreme Court to enable the use of Tamil in the High Court of Madras. I reiterate the request.**

❖ ❖ ❖